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Attorneys for Christina W. Lovato, Chapter 7 Trustee

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re

DOUBLE JUMP, INC.

Debtor.

Lead Case No.: BK-19-50102-gs
(Chapter 7)

Substantively Consolidated with:

19-50130-gs	DC Solar Solutions, Inc.
19-50131-gs	DC Solar Distribution, Inc.
19-50135-gs	DC Solar Freedom, Inc.

**TRUSTEE’S THIRD SUPPLEMENT TO
STATUS REPORT**

Hearing Date: June 9, 2022
Hearing Time: 9:30 a.m.

Christina W. Lovato, as chapter 7 trustee (“*Trustee*”) for the bankruptcy estates of DC Solar Solutions, Inc., DC Solar Distribution, Inc., DC Solar Freedom, Inc. and Double Jump, Inc. (“*DC Solar*” or the “*Debtors*”), files her Third Supplement to Status Report (“*Third Supplement to Status Report*”) in the above-captioned bankruptcy case (“*Bankruptcy Case*”) in advance of the Status Conference (“*Status Conference*”) set for June 9, 2022 at 9:30 a.m.

The Trustee filed her first status report on November 1, 2021 [ECF No. 2941]. The

1 Trustee filed her first supplement on November 15, 2021 [ECF No. 2971]. The Trustee filed her
 2 second supplement on March 28, 2022 [ECF No. 3185]. The Court conducted the related status
 3 hearings on November 15, 2021 and March 31, 2022. On March 31, 2022, the Court continued
 4 the Status Conference to June 9, 2022 [ECF No. 3204].

5 **I. NOTICE**

6 The Trustee will file this Third Supplement to Status Report in the Main Case and a
 7 notice of filing in each pending adversary proceeding and will serve it as reflected on the
 8 Certificate of Service.

9 **II. RESERVATION**

10 The Trustee reserves all rights given her ongoing investigation as well as the inherently
 11 fluid nature of litigation. Nothing in this Third Supplement to Status Report waives the Trustee's
 12 attorney-client, work-product, or other privileges or confidentiality. Nor does anything contained
 13 in this Third Supplement to Status Report bind the Trustee on any matter of fact or law.

14 **III. THE PLEA AGREEMENTS AND CRIMINAL SENTENCING**

15 The criminal investigation related to the Carpoff Ponzi Scheme is ongoing. Seven
 16 persons: (1) & (2) Jeff and Paulette Carpoff (husband and wife, and senior executives); (3)
 17 Robert Karmann (CFO and controller) (4) Ryan Guidry (senior operating executive); (5) Ron
 18 Roach (outside CPA) (6) Joseph Bayliss (outside electrician and purported engineer); and (7)
 19 Alan Hansen (a T-Mobile employee who was bribed by Carpoff and later hired by DC Solar);
 20 have pled guilty and stipulated to plea agreements and factual proffers ("*Plea Agreements*") with
 21 the United States of America discussing their particular roles, the roles of others, and some of the
 22 factual circumstances regarding the Carpoff Ponzi Scheme.

23 The dockets in these criminal cases reflect that:

- 24 • Jeff Carpoff was sentenced on November 9, 2021 and was taken into custody on January
 25 18, 2022;
- 26 • Joseph Bayliss was sentenced on November 16, 2021 and is set to be taken into custody
 27 on June 7, 2022;

- 1 • Robert Karman was sentenced on April 12, 2022 and is set to be taken into custody on
- 2 July 11, 2022;
- 3 • Alan Hansen was sentenced on May 31, 2022 and is set to be taken into custody on
- 4 August 8, 2022.
- 5 • Ronald Roach is to be sentenced on June 28, 2022;
- 6 • Paulette Carpoff is to be sentenced on June 28, 2022; and
- 7 • Ryan Guidry is to be sentenced on July 26, 2022.

8 Each sentencing date has been continued multiple times, and the Trustee does not know whether
 9 there will be further continuances or other activity arising from the United States of America's
 10 ongoing criminal investigation.

11 **IV. PROPOSED TOPICS TO DISCUSS AT STATUS CONFERENCE**

12 The Status Conference provides an opportunity for the Court, the Trustee, and parties-in-
 13 interest to discuss the Bankruptcy Case, the pending adversary proceedings, and related matters.
 14 The Trustee proposes that at least the following topics be discussed: (1) overview of the
 15 Trustee's litigation claims and adversary proceedings in this Bankruptcy Case; and (2) the
 16 Trustee's Motion for Partial Summary Judgment Seeking Determination of a Ponzi Scheme.

17 **1. Overview of the Trustee's Litigation Claims and Disposition**

18 To date, the Trustee has filed forty-six adversary proceedings in the Bankruptcy Case and
 19 has asserted and resolved a series of claims pre-suit. Attached are the following exhibits:

- 20 • **Exhibit A** – Pending adversary proceedings, with some information regarding; (i)
- 21 pleading status; (ii) settlement status; and (iii) motion practice.
- 22 • **Exhibit B** –Adversary proceedings that have been resolved by settlement, stipulation,
- 23 final judgment, or dismissal.
- 24 • **Exhibit C** – Estate litigation claims that have been settled pre-suit.

25 The Trustee's pending adversary proceedings primarily assert claims for avoidance and
 26 recovery of transfers, with two adversary proceedings sounding primarily in tort but also

including claims for avoidance.¹ To date, the Trustee has recovered (either received or due to be received) over \$50 million through the consensual resolution of litigation claims and approval of this Court pursuant to F.R.B.P. 9019.

2. Determination of a Ponzi Scheme

On May 13, 2022, the Trustee filed her motion for partial summary judgment (“*MPSJ*”) seeking a determination that a Ponzi scheme was perpetrated through DC Solar, in connection with the Ponzi Presumptions.² The Trustee filed her MPSJ in the pending adversary proceedings which primarily seek avoidance and recovery of fraudulent transfers.

Promptly following the Trustee’s filing of her MPSJ, the Trustee engaged the applicable adversary defendants (“*Avoidance Defendants*”) in a meet-and-confer process with the goal of a coordinated discovery and briefing schedule.

- On May 17, 2022 (four days after filing her MPSJ), Trustee’s counsel sent a letter to the Avoidance Defendants asking that they discuss their views as to the next procedural steps toward resolution of the MPSJ, and requesting a conference call on May 27, 2022.
 - A copy of one such letter is attached as Exhibit D.
- On May 27, 2022, the Avoidance Defendants (many of them) and the Trustee participated in that conference call and discussed the Avoidance Defendants’ proposed discovery and briefing schedule.
- On June 7, 2022, Trustee’s counsel sent a letter following up on her initial letter and responding to the Avoidance Defendants with a counter proposal and explanation.
 - A copy of this letter is attached as Exhibit E.

While the parties have not reached agreement by the date of this Third Supplement to Status Report, the parties’ good faith efforts have been useful.

¹ *Lovato v. Nixon Peabody, LLP*, Adv. No. 21-05072 (Bankr. D. Nev.) and *Lovato v. Scott Wentz, Raina Yee, Montage Services, Inc.*, Adv. No. 22-05008 (Bankr. D. Nev.).

² “*Ponzi Presumptions*” means the presumption of “actual intent” and “insolvency” in connection with avoidance claims where it is determined that a Ponzi scheme was perpetrated through the debtor. *See e.g., In re Nat’l Consumer Mortg., LLC*, 2013 WL 164247, *11 (D. Nev. Jan. 14, 2013).

1 DATED: June 7, 2022.

2 **HARTMAN & HARTMAN**

3 /s/ Jeffrey L. Hartman

4 Jeffrey L. Hartman, Esq.

5 Attorney for Christina W. Lovato, Trustee

6 **MELAND BUDWICK, P.A.**

7 /s/ Solomon B. Genet

8 Michael S. Budwick, Esq.

9 Solomon B. Genet, Esq.

10 Meaghan E. Murphy, Esq.

11 Gil Ben-Ezra, Esq.

12 Alexander E. Brody, Esq.

13 Attorneys for Christina W. Lovato, Trustee

CERTIFICATE OF SERVICE

I certify that on June 7, 2022, I caused to be served the above-named document as indicated below:

✓ a. Via ECF to the parties listed on the attached Exhibit 1;

✓ b. Via Direct Email to:

mara@bayareadrainage.com;
taxinfo@tax.cccounty.us;
deboltcivil@earthlink.net;
jquy1089@yahoo.com;
lesterray420@gmail.com;
rbspainting66@yahoo.com;
cromero@sfsandb.com;
21techlife@gmail.com;
waterbilling@cityofmartinez.org;
fredsfloorcovering@gmail.com;
ctrent@msconstruction.com;
taxcollector@countyofnapa.org;
mail@nativesonslandscaping.com;
shaunrang@sbcglobal.net;
ttccc@solanocounty.com;
pacific_coast_wp@att.net;
ar@alpinepowersystems.com;
billing@kmhsystems.com;
ca@ahern.com;
jansen.carl9@gmail.com;
pmaddox@iscmotorsports.com;
erossi@cedantioch.com;
rachel.larrenaga@chargepoint.com;
jworthen@ganassi.com;
dcook@kansasspeedway.com;
jfarris@ejmjets.com;
troyv@pacificmetalfab.net;
erivera@talladegasuperspeedway.com;
mquall@quallcardot.com;
ben.nelson@wexinc.com;

I declare under penalty of perjury that the foregoing is true and correct.

DATED: June 7, 2022.

/s/ Solomon B. Genet
Solomon B. Genet, Esq.

Pending - Adversary Proceedings

Case Number	Party/Entity	Status
1 21-05037	Bayshore Select Insurance Champion Select Insurance	Amended complaint filed.
2 21-05029	DCT Valley Drive CA LP	Motion for partial summary judgment filed.
3 21-05020	Internal Revenue Service	Motion for partial summary judgment filed.
4 21-05036	JCB Consulting, Inc. f/k/a J&C Consulting, Inc. Carrie Sue Boden-Carpoff a/k/a Caroline Sue Boden-Carpoff Boden-Carpoff a/k/a Carrie Carpoff a/k/a Carrie Boden	JCB Consulting, Inc. f/k/a J&C Consulting, Inc.: Amended Complaint filed. Carrie Sue Boden-Carpoff a/k/a Caroline Sue Boden-Carpoff a/k/a Carrie Carpoff a/k/a Carrie Boden: Dismissed.
5 21-05030	KMH Systems, Inc.	Motion for partial summary judgment filed.
6 21-05027	LBA Realty Fund II-Company I, LLC	Motion for partial summary judgment filed.
7 19-05032	Mandalay Bay, LLC (First Adversary Complaint)	Motion for partial summary judgment filed.
8 21-05070	Mandalay Bay, LLC (Consolidated with First Adversary Complaint)	See lead case.
9 21-05032	Priscilla Amato Robert Amato Paula Jordan	Priscilla Amato: Motion for partial summary judgment filed. Robert Amato: Dismissed. Paula Jordan: Settled.
10 21-05026	Sandra Sarkissian, Successor Trustee of the Sam Sarkissian and Sandra Sarkissian Living Trust dated September 4, 1997	Motion for partial summary judgment filed.
11 21-05025	SMISC Holdings, LLC, Atlanta Motor Speedway, LLC, Bristol Motor Speedway, LLC, Kentucky Motor Speedway, LLC, Nevada Motor Speedway, LLC, New Hampshire Motor Speedway, Inc., Speedway Sonoma, LLC, Texas Motor Speedway, Inc.	Motion for partial summary judgment filed.

12	21-05028	King Solarman, Inc., Chiang Lian Cung a/k/a Michael Cung, King Solarman (Indion) Fund I, LLC, and King Solarman (Indion) Fund II, LLC	Motion for partial summary judgment filed.
13	21-05001	Ahern Rentals, Inc. Xtreme Manufacturing, LLC	Motion for partial summary judgment filed.
14	21-05073	Chip Ganassi Racing with Felix Sabates, Inc.	Motion for partial summary judgment filed.
15	21-05072	Nixon Peabody LLP	Motion to dismiss under advisement.
16	22-05008	Montage, Wentz, Yee	Motion to dismiss set for hearing on August 4, 2022.

Resolved - Adversary Proceedings

Case Number	Party/Entity	Status
1 21-05018	Renewable Waste Solutions, LLC and Sustainable Capital Finance, Inc.	Renewable Waste Solutions, LLC: Final Judgment. Sustainable Capital Finance, Inc.: Settled.
2 21-05005	Martinez Education Foundation	Settled.
3 21-05042	LV Stadium Events Company, LLC	Settled.
4 21-05014	NuLeaf Capital Investors Group, LLC	Settled.
5 21-05044	Tersuda, LLC	Settled.
6 21-05040	Enenstein Pham & Glass	Settled.
7 21-05012	2750 Maxwell Way, LLC	Final Judgment.
8 21-05011	4021 Pike Lane, LLC	Final Judgment.
9 21-05017	Bay Area ScreenPrint, Inc. Go Green Studio Rentals, Inc. CDRL Nutritional, Inc. and Headways Hair and Day Spa, Inc.	Final Judgment.
10 21-05022	Efficient Energy Distribution, Inc.	Final Judgment.
11 21-05008	Emerging Solar Technology LLC	Final Judgment.
12 21-05001	EventWright, LLC	Final Judgment.
13 21-05007	Halo Management Services, LLC	Final Judgment.
14 21-05006	Luminary Diffusion Systems, LLC	Final Judgment.
15 21-05013	Martinez Clippers Baseball Corp.	Final Judgment.
16 21-05002	Oakhurst Golf, LLC dba Oakhurst Country Club	Voluntarily dismissed.
17 21-05035	Panda Bear International, Limited Panda Solar Solutions, LLC	Final Judgment.
18 21-05010	Renewable Management Services, Inc.	Final Judgment.
19 21-05033	Sirius Light Towers, LLC	Final Judgment.
20 21-05003	Sparks Power Inc.	Final Judgment.
21 21-05004	Terroir Winery Fund, L.P.	Final Judgment.
22 21-05024	USB DC Solar Fund I, LLC and USB DC Solar Fund II, LLC	Final Judgment.

23	21-05021	Hancock Whitney Equipment Finance and Leasing, LLC	Voluntarily dismissed.
24	21-05016	Main Street Martinez, Inc.	Voluntarily dismissed.
25	21-05023	The Yountville Chamber of Commerce	Voluntarily dismissed.
26	21-05019	Folium Biosciences, LLC and Whole Hemp Company, LLC	9019 pending.
27	21-05034	Lone Oak Fund, LLC	Settled.
28	21-05031	Matthew and Lauren Carpoff	Settled.
29	21-05009	Solarmore Investments, Inc.	Final Judgment.
30	21-05009	Patrick Moore	Voluntarily dismissed.

Pre-Suit Settlements

Party/Entity	Status of Settlement (Approved/Pending)
1 Solar Eclipse Investment Fund III, LLC	Approved.
2 Solar Eclipse Investment Fund IV, LLC	Approved.
3 Solar Eclipse Investment Fund V, LLC	Approved.
4 Solar Eclipse Investment Fund VI, LLC	Approved.
5 Solar Eclipse Investment Fund VII, LLC	Approved.
6 Solar Eclipse Investment Fund VIII, LLC	Approved.
7 Solar Eclipse Investment Fund X, LLC	Approved.
8 Solar Eclipse Investment Fund XI, LLC	Approved.
9 Solar Eclipse Investment Fund XII, LLC	Approved.
10 Solar Eclipse Investment Fund XIV, LLC	Approved.
11 Solar Eclipse Investment Fund XXXII, LLC	Approved.
12 Solar Eclipse Investment Fund XXXV, LLC	Approved.
13 Solar Eclipse Investment Fund XXXVII, LLC	Approved.
14 Progressive Casualty Insurance Company	Approved.
15 The Sherwin-Williams Company	Approved.
16 Geico Corporation	Approved.
17 People's United Bank, N.A.	Approved.
18 People's United Financial, Inc.	Approved.
19 DV VNB Community Renewables Fund LLC	Approved.
20 DV VNB Community Renewables Fund III LLC	Approved.
21 Pardee Solar 1, LLC	Approved.
22 SolarSense DCS I, LLC	Approved.
23 Alternative Energy Infrastructure Projects Fund I, LP	Approved.
24 KeyBank N.A.	Approved.
25 Heritage Bank of Commerce	Approved.
26 Solar Eclipse Fund IX, LLC	Approved.
27 Crestmark, a division of MetaBank, N.A.	Approved.
28 Radian Generation, LLC	Approved.

29	Wheels Up Partners, LLC	Approved.
30	Fallbrook Securities Corporation	Approved.
31	FEI Investors I, LLC	Approved.
32	Electrification Coalition	Approved.
33	Consolidated Electrical Distributors, Inc.	Approved.
34	Vistra International Expansion (USA) Inc.	Approved.
35	ISC Parties	Approved.
36	Truist Equipment Finance Corp. f/k/a Sun Trust Equipment Finance & leasing Corp.	Approved.
37	Hartford Fire Insurance Company	Approved.
38	CohnReznick Capital Markets Securities, LLC	Approved.
39	Live in the Vineyard, LLC	Approved.
40	Novogradac & Company LLP	9019 pending.



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ATTORNEYS AT LAW

Meaghan Murphy, Esq.
mmurphy@melandbudwick.com

May 17, 2022

Via Electronic Mail

Mark J. Connot, Esq.
Fox Rothschild LLP
One Summerlin
1980 Festival Plaza Drive, Suite 700
Las Vegas, NV 89135
mconnot@foxrothschild.com

**RE: *In re Double Jump, Inc.*, Case No. BK-19-50102-gs (lead case)
Christina W. Lovato v. Ahern Rentals, Inc. et al., Adv. No. 22-05001-gs**

Dear Mr. Connot:

As you know, the Court has set a continued general status conference for June 9, 2022. In addition, on May 13, 2022, the Trustee filed her motion for partial summary judgment (“*MPSJ*”) in a number of adversary proceedings, including the one in which you serve as counsel. Attached is a list of the relevant adversary proceedings to which the *MPSJ* relates along with the contact information for various defense counsel.

As we stated at the March 31st status conference, we request that defense counsel as a group first meet and confer to discuss their views as to the next procedural steps to adjudicate the *MPSJ*. And then after conferral by defense counsel, we would like to speak with defense counsel or a representative(s) to discuss what the parties would like to propose to the Court. As to this second call, we suggest **May 27, 2022 at 2 pm ET / 11 am PT**. The dial call-in information is as follows: Dial in: (833) 548-0282, Code: 7906732073. If this date/time is inconvenient we can find another.

And of course, I am also available for one-on-one communications.

The Trustee’s goal is an efficient procedure for the benefit of all parties and the Court.

Thank you.

Sincerely,

s/ Meaghan E. Murphy, Esq.
Meaghan E. Murphy

cc: Michael S. Budwick, Esq.
Solomon B. Genet, Esq.
Alexander E. Brody, Esq.

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DEFENDANT	CASE NO.	CONTACT INFORMATION
AHERN RENTALS, INC. et al	3:22-ap-05001	Mark J. Connot, Esq. Kevin M. Sutehall, Esq. Colleen E. McCarty, Esq. Fox Rothschild LLP One Summerlin 1980 Festival Plaza Drive, Suite 700 Las Vegas, NV 89135 Telephone: 702-699-5924 mconnot@foxrothschild.com ksutehall@foxrothschild.com cmccarty@foxrothschild.com
AMATO et al	3:21-ap-05032	Eric Yaeckel, Esq. Sullivan & Yaeckel Law Group 2330 Third Avenue San Diego, CA 92101 Telephone: 619-702-6761 yaeckel@sullivanlawgroupapc.com
CHIP GANASSI RACING WITH FELIX SABATES, INC.	3:21-ap-05073	Mark R. Owens (admitted <i>pro hac vice</i>) Barnes & Thornburg LLP 11 South Meridian Street Indianapolis, Indiana 46204 Tel.: (317) 236-1313 Fax: (317) 231-7433 Email: mark.owens@btlaw.com Rick R. Hsu (NV Bar No. 5374) Maupin Cox LeGoy 4785 Caughlin Parkway Reno, Nevada 89519 Tel.: (775) 827-2000 Fax: (775) 827-2185 Email: rhsu@mcllawfirm.com James H. Voyles, Jr. (admitted <i>pro hac vice</i>) Voyles Vaiana Lukemeyer Baldwin & Webb 211 North Pennsylvania Street, Suite 2400 Indianapolis, Indiana 46204 Tel.: (317) 632-4463 Fax: (317) 631-1199 Email: jvoyles@voyleslegal.com
DCT VALLEY DRIVE CA LP	3:21-ap-05029	Brian P. Morgan, Esq. Faegre Drinker Biddle & Reath LLP 1177 Avenue of the Americas, 41st Floor New York, New York 10036 USA brian.morgan@faegredrinker.com

		Jamie P. Dreher, Esq. Downey Brand 621 Capitol Mall, 18 th Floor Sacramento, CA 95814 Telephone: 916-520-5478 jdreher@downeybrand.com
KING SOLARMAN, INC. et al	3:21-ap-05028	Kathryn S. Diemer, Esq. Paul J. Johnson, Esq. Diemer & Wei, LLP 55 S. Market Street, Suite 1420 San Jose, CA 95113 kdiemer@diemerwei.com pjohnson@diemerwei.com
KMH SYSTEMS, INC.	3:21-ap-05030	N/A
LBA REALTY FUND II-COMPANY I, LLC	3:21-ap-05027	Ryan Pinkston, Esq. Seyfarth Shaw LLP 560 Mission Street Suite 3100 San Francisco, CA 94105 rpinkston@seyfarth.com Talitha B. Gray Kozlowski, Esq. Garman Turner Gordon 7251 Amigo Street Suite 210 Las Vegas, NV 89119 tgray@gtg.legal
MANDALAY BAY, LLC (LEAD CASE)	3:19-ap-05032	Eric A. Browndorf William P. Rubley Cooper Levenson 1125 Atlantic Avenue Atlantic City, NJ 08401 Telephone: 609-572-7538 ebrowndorf@cooperlevenson.com wrubley@cooperlevenson.com Gregory A. Kraemer Cooper Levenson 6060 Elton Ave Las Vegas, NV 89107 Telephone: 702-366-1125 gkraemer@cooperlevenson.com
SANDRA SARKISSIAN, SUCCESSOR TRUSTEE OF THE SAM SARKISSIAN etc.	3:21-ap-05026	Louis M. Bubala III, Esq. Kaempfer Growell 50 West Liberty Street, Suite 700 Reno, NV 89501 lbubala@kcnvlaw.com

SMISC HOLDINGS, LLC et al	3:21-ap-05025	Thomas H. Fell, Esq. Patrick J. Sheehan, Esq. Fennemore Craig 300 S Fourth Street, Suite 1400 Las Vegas, NV 89101 tfell@fennemorelaw.com psheehan@fennemorelaw.com
UNITED STATES OF AMERICA, DEPARTMENT OF THE ETC.	3:21-ap-05020	Boris Kukso, Esq. Trial Attorney, Tax Division United States Department of Justice boris.kukso@usdoj.gov



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ATTORNEYS AT LAW

Meaghan Murphy, Esq.
mmurphy@melandbudwick.com

June 7, 2022

Via Electronic Mail

RE: *In re Double Jump, Inc.*, Case No. BK-19-50102-gs (main case)
Lovato v. Mandalay Bay, LLC, Adv. No. 19-5032-gs
Lovato v. United States of America etc., Adv. No. 21-05020-gs
Lovato v. SMISC Holdings, LLC et al., Adv. No. 21-05025-gs
Lovato v. Sandra Sarkissian, etc., Adv. No. 21-05026-gs
Lovato v. LBA Realty Fund II-Company I, LLC, Adv. No. 21-05027-gs
Lovato v. King Solarman, Inc. et al., Adv. No. 21-05028-gs
Lovato v. DCT Valley Drive CA LP, Adv. No. 21-05029-gs
Lovato v. KMH Systems, Inc., Adv. No. 21-05030-gs
Lovato v. Amato et al., Adv. No. 21-05032-gs
Lovato v. Chip Ganassi Racing with Felix Sabates, Inc., Adv. No. 21-05073-gs
Lovato v. Ahern Rentals, Inc., et al., Adv. No. 22-05001-gs

Counsel:

As you know, my firm is counsel to Chapter 7 trustee, Christina Lovato (“*Trustee*”) in the above-referenced bankruptcy proceeding. Thank you for participating on the May 27, 2022 call regarding next steps for the Trustee’s motion for partial summary judgment (“*MPSJ*”). We appreciate your group efforts to coordinate positions and provide a proposal to the Trustee.

I will start with a short re-cap. On May 17, 2022, shortly after the Trustee filed her MPSJ, the Trustee sent you a letter requesting a meet-and-confer call on May 27, 2022. On that call was (1) counsel to the Trustee; and (2) counsel to defendants Internal Revenue Service, DCT Valley Drive CA LP, Mandalay Bay, LLC, King Solarman, Inc., Ahern Rentals, Inc., Xtreme Manufacturing, LLC, Chip Ganassi Racing with Felix Sabates, Inc., LBA Realty Fund II-Company I, LLC, and SMISC, LLC.

During the May 27th call, the defendants advised that they had communicated amongst themselves prior to that time, and most (but not all) defendants proposed the following timeline:

- June 9, 2022 Defendants’ deadline to issue written discovery.
- July 29, 2022 Trustee’s deadline to respond to written discovery.
- August 31, 2022 Deadline to meet and confer regarding written discovery and defendants’ deadline to file motions to compel.

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- October 31, 2022 Deadline for resolution of and compliance with any orders on motions to compel.
- November 30, 2022 Deadline to complete all necessary depositions.
- January 13, 2023 Deadline to disclose rebuttal expert reports and deadline for defendants to file opposition to MPSJ.
- February 3, 2023 Trustee's deadline to file reply to opposition to MPSJ.
- After February 3, 2023 Hearing on MPSJ.

Some defendants proposed a longer discovery schedule. Many of the defendants indicated their need to depose many individuals (some imprisoned, some awaiting sentencing, and some not charged) as part of the fact discovery process. Further, the Trustee notes that the defendants' proposed schedule does not provide a meaningful opportunity for the Trustee to take the deposition of the defendants' rebuttal expert, which would realistically add 30 days to the proposed timeline.

The Trustee appreciates the defendants' efforts. However, the Trustee does not believe the above proposal will efficiently advance these litigations.

The Trustee does not believe that the MPSJ presents any contested issues of material fact. And the defendants have not identified what specific contested factual issues exist that would give rise to numerous depositions. Accordingly, the Trustee does not believe that any further discovery is necessary other than the deposition of Melissa Davis, CPA, CFE, CIRA, the Trustee's expert witness. The Trustee has already offered to provide the defendants the documents Ms. Davis relied upon.

The Trustee believes that her proposal (below) is in accord with the Court's previously stated intention that the MPSJ be resolved efficiently and expeditiously. Indeed, following the Court's communications to the parties at previous status conferences, the Trustee purposefully limited the scope of her MPSJ to the determination of the fact of the Ponzi scheme, a narrow issue, in order to eliminate potential contested issues of material fact that would otherwise necessitate any, let alone numerous, depositions.

The Trustee proposes the following timeline:

- August 1, 2022 Deadline for the defendants, through an agreed-to procedure, to depose Melissa Davis.
- September 15, 2022 Deadline for the defendants to submit rebuttal expert reports and file any opposition to the MPSJ.

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- October 13, 2022 Deadline for the Trustee to depose the defendants' expert.
- November 14, 2022 Deadline for the Trustee to file her reply in support of her MPSJ.
- November 2022 Hearing on MPSJ.

In the event the Court determines any incarcerated individuals should be deposed, then in the interests of efficiency, the Trustee may alternatively request that the Court enter uniform pre-trial discovery plans and scheduling orders similar to those entered in some of the adversaries. In that regard, the Trustee would propose the following:

- January 31, 2023 Deadline for fact discovery.
- February 28, 2023 Deadline for expert reports.
- March 30, 2023 Deadline for expert discovery.
- April 27, 2023 Deadline for dispositive motions.
- June 2023 or as the Court is available Pre-trial conference.

Please feel free to contact me by phone prior to the June 9, 2022 status conference or anytime. The Trustee intends to continue to work with you in good faith to advance these cases to an orderly contested conclusion.

Thank you.

Sincerely,


Meaghan E. Murphy

cc: Michael S. Budwick, Esq.
Solomon B. Genet, Esq.
Alexander E. Brody, Esq.

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Mailing Information for Case 19-50102-gs

Electronic Mail Notice List

The following is the list of parties who are currently on the list to receive email notice/service for this case.

- SETH J. ADAMS sadams@woodburnandwedge.com, jheston@woodburnandwedge.com
- GREG ADDINGTON greg.addington@usdoj.gov, christi.dyer@usdoj.gov; danielle.bleecker@usdoj.gov
- MEGAN M. ADEYEMO madeyemo@gordonrees.com, asoto@grsm.com
- SALLIE B ARMSTRONG sarmstrong@mcdonaldcarano.com, mhale@mcdonaldcarano.com
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